

Revenue Announces Threshold Updates Under The Delaware Competes Act

Statewide, DE – Under the new Delaware Competes Act, the Division of Revenue has announced the first of what will become annual adjustments to filing thresholds for small businesses and employers. These threshold adjustments are intended to recognize small businesses' unique challenges by simplifying compliance and potentially reducing filing frequencies.

The safe harbor provision for small businesses was enacted in 1984, but because the original qualification thresholds had not been adjusted in recent years, many small businesses no longer qualified. "Updating thresholds throughout Delaware's tax code will reduce administrative and compliance costs for small businesses and the Division of Revenue alike," said Department of Finance Deputy Secretary, David Gregor. "It also increases the tax code's predictability and fairness for small businesses; cutting filing frequencies for roughly 1,000 small business gross receipts taxpayers and 2,000 small business withholding filers."

As part of its annual notification process, the Division of Revenue will notify businesses and employers regarding their filing responsibilities for the upcoming year. The Delaware Competes Act also mandates that thresholds are subject to an annual inflation adjustment. As a consequence, the thresholds' future effectiveness will not erode over time, and small businesses will continue to reap the Delaware Competes Act's benefits for years to come.

New threshold information can be found by visiting the Division of Revenue web site at

http://revenue.delaware.gov/services/Business_Tax/Threshold_Update_102016.pdf.

###

Leslie A. Poland
Public Information Officer
Delaware Department of Finance
(302) 577-8522
leslie.poland@delaware.gov